

ST 13-0025-GIL 05/28/2013 LIQUOR TAX

Under the Liquor Control Act of 1934, out-of-state wineries who are going to sell wine directly to Illinois residents must complete an Application For State Of Illinois Winery Shipper's License ("Direct Shipping Permit"). (This is a GIL.)

May 28, 2013

Dear:

This letter is in response to your letter dated April 4, 2013, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

We are an out-of-state winery located in STATE and we do not have any nexus in the state of Illinois. We are going to sell wine directly to IL residents through online catalogs and our website. We are going to ship our products via COMPANY.

Please let us know (via mail) if we are obligated to collect IL sales tax and submit it to IL State Sales Tax Department. We need a simple "yes" or "no" answer along with a reference to IL sales tax law.

We do not have any location or warehouse in IL. We do not solicit sales of taxable products or services through employees, salespersons, independent agents, or service representatives located in Illinois. We sell our products through our website and online catalogs & we have no connection with the state of Illinois.

Our federal tax id # is XXX.

DEPARTMENT'S RESPONSE:

Under the Liquor Control Act of 1934, out-of-state wineries who are going to sell wine directly to Illinois residents must complete an Application For State Of Illinois Winery Shipper's License ("Direct Shipping Permit"), which I have enclosed for your convenience. Further, a licensee who is not otherwise required to register under the Retailers' Occupation Tax Act must register under the Use

ST 13-0025-GIL
May 28, 2013
Page 2

Tax Act to collect and remit use tax to the Department of Revenue for all gallons of wine that are sold by the licensee and shipped to persons in this State. 235 ILCS 5/5-1.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Debra M. Boggess
Associate Counsel